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## CLIENT ALERT

### New Jersey Property Tax Reimbursement (Senior Freeze) Program

Filing deadline for 2015 Senior Freeze (PTR) Applications extended to October 17, 2016:

This New Jersey program reimburses eligible senior citizens and disabled persons for [property tax](#) or mobile home park [site fee](#) increases on their [principal residence](#). To qualify you must meet all the [eligibility requirements](#) for each year from the [base year](#) through the application year. (The current year is 2015.)

### Federal Overtime Rules

The United States Department of Labor revised regulations dealing with overtime pay were approved on May 18, 2016 by President Obama. The new regulations, which contain extensive and substantial changes, become effective December 1, 2016.

#### *Key Provisions*

The Final Rule focuses primarily on updating the salary compensation levels needed for Executive, Administrative and Professional workers to be exempt. Specifically, the Final Rule:

1. Sets the standard salary level at the 40<sup>th</sup> percentile of earnings of full-time salaried workers in the lowest-wage Census Region, currently the South (\$913 per week; \$47,476 for a full-year worker.) (An employee below this level will generally be required to be paid for overtime); and
2. Sets the total annual compensation requirement for highly compensated employees (HCE) subject to a minimal duties test to the annual equivalent of the 90<sup>th</sup> percentile of full-time salaried workers nationally (\$134,004.) (An employee above this level generally is not required to be paid for overtime); and
3. Establishes a mechanism for automatically updating the salary and compensation levels every three years to maintain the levels at the above percentiles and to ensure that they continue to provide useful and effective tests for exemption.

Additionally, the Final Rule amends the salary basis test to allow employers to use nondiscretionary bonuses and incentive payments (including commissions) to satisfy up to 10 percent of the new standard salary level.

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**Disclaimer:** *This e-mail represents a general overview of tax developments and should not be relied upon without an independent, professional analysis of how any of these provisions may apply to a specific situation.*

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